

# Islamic Republic of Afghanistan Kabul Municipality



# BUSINESS LICENSE POLICY DEPARTMENT OF MARKET CONTROL

| Mayor's Name:      | H.E Mohammad Yonus Nawander |
|--------------------|-----------------------------|
| Mayor's Signature: |                             |





#### Purpose

The purpose of this policy is to register all the current and new businesses to regulate businesses and improve revenues to the Kabul Municipality.

Kabul Municipality endeavors to register businesses at minimum costs to businesses in terms of time and efforts, in order to promote the business climate.

KM aims at comprehensive registration of all businesses in all sectors of activity in a computerized database, which will be up-to-date and contain all required information on any business. The database will be accessible to both the Markets Control Department and the district level offices.

#### Scope

This policy applies to any natural person, firm or corporation which operates any store or place for the sale of goods, services, wares or merchandise at retail or at wholesale, within the corporate limits of the Kabul Municipality, on a temporary or permanent basis, that is required to register with Kabul Municipality under the laws and regulation in force.

In addition, business licenses are mainly supervisory in function; that is, they are intended as part of a larger mechanism to control businesses which may pose issues relative to health, disturbance to the physical or social environment, and so on. Examples include food related trades, second hand and etc.

#### Objective:

- Accelerate Specialized License Issuance process.
- Eliminate redundancy.
- Expand communication with stakeholders.
- Promote efficacy and effectiveness with automated tracking and workflow.
- Increase the accuracy and reliability of data.

#### Benefits of licensing as a controlling tool

Development and implementation appropriately business licenses policy as controlling tool offers a number of potential benefits, including:

- the application process section of administrative department of the business licensing process allows KM to identify, verify and contact businesses;
- prior approval allows KM to test businesses and exclude those unlikely to meet minimum standards, such as businesses or business activities which generate significant health, safety, security, environmental or other costs and/or risks;

**Definitions:** It is important to include a list of definitions to ensure clarity. The terms used in Business License Policy bear the following meanings:





**Applicant:** means a person applying for a license under business license policy.

**Business:** in this policy means a trade, business or occupation and includes the sale or hire of goods or services on an intermittent or one-time basis, the showing for the purpose of sale or hire of samples, designs or specimens of any goods and shall include exhibitions held for hire and gain, hotels, restaurants, Shops, musician, music halls, bowling alleys, movie pictures shows but does not include;

- i. a manufacturing activity or and industry, except the extent that the sells its products or raw material by retail.
  - ii. the selling of goods by wholesale; or
- iii. the generation, exploitation, harvesting, processing, renewal or transportation of natural resources;

License means a license issued under business license policy by KM.

**Licensed** means a license issued under the provisions of KM Business License Policy. **Licensed Locations** means the buildings where the licensee carries on his/her licensed business.

**Licensee** means a person or corporation to whom a license has been issued under this policy. **Seasonal** means a business that operates less than six sequential months during a specific time of the year.

#### **Procedure:**

According to Business License policy no person shall carry on, within the Kabul Municipality, any business unless he is the holder of a valid License issued to him under this policy by the Head of Market Control. individuals who requires a business license under the provisions of business license policy shall:

- fill an application form in writing by completing a prescribed form available at the KM Market Control department;
- provide as required by the KM any documents, permits or permission relating to the operation of the business;
- pay, the non-refundable application fee

The Deputy Mayor (City Services) Department of Market Control is issuing authority advises of an intent to issue a new retail business licenses and accepts applications from all interested parties, each applicant is evaluated by the issuing authority considering factors such as intended use, location, traffic, land use provisions, ratable impact, community needs, parking, business experience, etc. The business licenses are than given to the applicant in the best public interest. The business licenses are not issued until all necessary investigations are complete and satisfactory to the municipal issuing authority.

#### **Food Health Permit**

No person shall operate a food-service formation or a food store without first attaining a current and valid Food Health Permit from Department of Market Control. Food service establishments include: any place where food is kept, handled, manufactured, packaged, stored, and includes;

retail food stores and shops selling only pre-packaged foods;





- bakeries;
- butcher shops, chicken shops and fish shops;
- restaurants, banquet halls, cafeterias, beverage rooms, dairy bars, milk bars, ice cream;

## **Policy on Payers, Rates:**

Kabul Municipality will engage in structural dialogue with national authorities, to achieve that

1) natural and legal persons engaged in business in any sector of activity will be required to register with the municipality; 2) the fee rate schedule will be simplified, to comprise only a few wide sectors of activity; 3) the fee will be proportional to the surface area used by businesses; 4) the fee will be in realistic proportion to municipal spending on goods and services benefitting businesss.

## **General Requirements for Existing and Proposed Businesses:**

All businesses for operation inside Kabul City are obliged to have Kabul Municipality's business license.

Any business which moves its location shall make an application to the Department of Market Control of Kabul Municipality. Such an application shall be accompanied by payment of the fee established by the Department of Market Control.

Any person, firm or corporation providing premises or facilities for the temporary sale activities of other persons, firms or corporations other than the temporary sale activities of nonprofit, religious, educational or charitable organizations, which combined sales activities shall make application with the city's Market Control Department for a business registration certificate for temporary sales

#### License Process for Businesses that supply food stuff

Application for business license shall be made and completed application forms shall be submitted to the Kabul Municipality's Administration which is formerly forwarded to the Department of Market Control for further process.

License shall either be approved or denied by His Excellency the Kabul Mayor after completing all proper documentation and review from the following relevant departments;

- Mayor's Office
- Department of Market Control
- District level Licensing Department
- Association of Skilled Workers
- Environmental Protection Agency
- Ministry of Public Health's Directorate of Environmental Health

## Steps to acquire small retailers businesses in KM





An individual small retailers business legal identity is required (National Identity card, valid passport or other document that certify the identity of the applicant).

The small retailers businesses fills out the KM application form for retailer business registration with such information as the name, father name, designation, province, district, current address of the business and its contact person;

KM will provide the retailer business owner with a "Request Tax Identification Number" to be filled out by the business owner. KM uses this form to obtain a Tax Identification Number (TIN) for the business owner;

The business owner will fill "standard business" detail form;

KM will check its established database as to whether the business owner name has already been used in Kabul City. If it has been used already, the retail business owner must provide the business opportunity to other individuals.

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If approved, an invoice is prepared by the Kabul Mayor's office and is given to the applicant.

- Applicant takes the invoice to the bank.
- Applicant pays the determined amount of money according to the list attached depending upon the type of business to the bank and receives the receipt.
- Applicant brings the bank receipt back to the Mayor's office.
- Mayor's office issues a letter to the respective district.
- The letter gets registered at the respective district and the business is licensed for one year.
- The license shall be renewed every year.

If the request is denied, the applicant shall be notified in writing that the license is not granted. And the applicant may re-submit a new application through the same process.

Businesses shall be banned from operation or charged if found un-registered with the Kabul Municipality.





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Once fees and approvals have been received, the business license will be issued. Business licenses are valid for one year from date of issue. The license must be displayed in the place of business.

## **Moving or Changing Business Operations**

business license is issued for a specific location and operation(s). If business owner change its operations or move business to a new location, they are required to inform KM to determine if a new business license category as required.





#### Sale of Business License

Business Licenses are non-transferable. If business owner sell or close down business, they should contact Department of Market Control.

#### License Process for Businesses that do not supply food

Application for business license shall be made and completed application forms shall be submitted to the Department of Market Control.

License shall either be approved or denied by the Kabul Municipality's Department of Market Control and KM Mayor after completing all proper documentation and review from the following relevant departments;

- Market Control Department
- Association of Skilled Workers
- Area District Licensing Department

If approved, an invoice is prepared by the Kabul Mayor's office and is given to the applicant.

- Applicant takes the invoice to the bank.
- Applicant pays the determined amount of money according to the list attached depending upon the type of business to the bank and receives the receipt.
- Applicant brings the bank receipt back to the Mayor's office.
- Mayor's office issues a letter to the respective district.
- The letter gets registered at the respective district and the business is licensed for one year.
- The license shall be renewed every year.

If the request is denied, the applicant shall be notified in writing that the license is not granted. And the applicant may re-submit a new application through the same process.

Businesses shall be banned from operation or charged if found un-registered with the Kabul Municipality.

#### **Steps for New License issuance**

The Deputy Mayor (City Services) Department of Market Control publish a notice of the proposed issuance and that applications will be accepted by the municipal issuing authority. The notice shall specify a date and time after which no additional applications will accepted. The notice must be published not less than two times in a newspaper circulating generally in the municipality, one week apart, the second or last publication shall be done not less than 30 days





prior to the date and time specified in the notice as the date and time after which no additional applications will accepted.

All concerned applicants shall submit complete applications and pay all required fees. All applicants publish a public notice two times of their intent to apply for the license and their proposed licensed premises. each applicant is evaluated by the issuing authority considering factors, such as, intended use, location, traffic, land use provisions, ratable impact, community needs, parking, business experience, etc.

## **Consequences of Violations:**

Violation of this policy may result in disciplinary action and will be treated as per the Kabul Municipality's Disciplinary policy. Refer to Disciplinary policy of Kabul Municipality.

## **Policy Evaluation:**

This policy will be regularly evaluated to ensure it enables and effectively moves Kabul Municipality towards its objectives.

## **Policy Enforcement:**

This policy comes into force after the approval of His Excellency the Kabul Mayor.